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**Committee of Experts on International Cooperation in Tax Matters**
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Item 3 (c) (vi) of the provisional agenda*
**Discussion of substantive issues related to international cooperation in tax matters: other issues: capacity-building**

# First Global Conference of the Platform for Collaboration on Tax: Taxation and the Sustainable Development Goals

## Note by the Secretariat

1. In its resolution 2017/2, the Economic and Social Council recognized the progress made by the Financing for Development Office in developing, within its mandate, a capacity development programme in international tax cooperation aimed at strengthening the capacity of the ministries of finance and the national tax authorities in developing countries to develop more effective and efficient tax systems, which support the desired levels of public and private investment, and to combat tax evasion, and requested the Office, in partnership with other stakeholders, to continue its work in this area and to further develop its activities, including relevant practical tools.

2. In line with this mandate, the Financing for Development Office has been participating in the work of the Platform for Collaboration on Tax, a joint initiative of the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the United Nations and the World Bank Group, established in April 2016 to intensify cooperation in tax matters and increase support for capacity-building on tax matters in developing countries.

3. On 14–16 February 2018, the Platform convened its First Global Conference, on the theme "Taxation and the Sustainable Development Goals", at United Nations Headquarters. The Conference was successful in achieving its main objective: to take forward the global dialogue on the role of taxation in mobilizing domestic revenue to finance the Sustainable Development Goals and to provide an inclusive multi-stakeholder forum for the exchange of country experiences on challenges and opportunities in using tax systems in support of sustainable development.

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4. As a result, the Conference made an important contribution to the global efforts towards the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

5. According to registration records, the Conference was attended by more than 500 participants from 119 developed and developing countries, including 22 ministers and vice-ministers of finance, 36 commissioners of national tax authorities, 10 members of the Committee of Experts on International Cooperation in Tax Matters, 25 academics, 80 civil society representatives, 31 private sector representatives and over 100 officials from international and regional organizations.

6. A wide range of topics was covered in the eight plenary and six breakout sessions of the Conference, supplemented by 13 side events. Plenary discussions focused on how effective tax policies and administration could contribute to supporting sustainable economic growth, fiscal sustainability, investment and trade, and addressing social concerns, such as poverty, income inequality, health and human development, as well as on tax system reforms, tax capacity development and international tax cooperation. Dedicated sessions were held on the role of taxation in achieving gender equality, curbing illicit financial flows, the taxation of extractive industries, and how taxation can improve governance outcomes and promote equity. Side events highlighted progress made in implementing important international tax cooperation frameworks, such as Tax Inspectors Without Borders, an initiative of OECD and the United Nations Development Programme, the Addis Tax Initiative, led by the European Union, and the project on base erosion and profit shifting of OECD and the Group of 20.

7. As an outcome, the Platform partners issued a closing statement (see annex), which is a strategic, forward-looking and action-oriented document identifying 14 action points that, subject to availability of resources, the Platform partners agreed to pursue.

8. According to the statement, the Platform will scale up its work, including on treaties, to support developing countries in addressing tax transparency and tax base erosion and profit shifting. To this end, the Platform will continue its work on toolkits to help developing countries to address challenges in international taxation and will respond to additional concerns raised by countries with guidance and recommendations.

9. The Platform will analyse and report on the spillovers on and opportunities from changes in the international tax environment for developing countries. The Platform partners will further increase their coordination and cooperation to provide coherent and consistent international tax policy advice. They will support the enhanced participation of developing countries in international tax policy discussions and institutions and facilitate dynamic interaction between standard-setting and capacity development.

10. An important task of the Platform will be to support countries in reforming their tax systems through country-led medium-term revenue strategies — comprehensive reform plans reflecting each country's circumstances and institutional capacity. Moreover, the Platform will launch a multi-year programme on tax and the Sustainable Development Goals, which will include components on health, education, gender, inequality, the environment and infrastructure, with a view to addressing a more comprehensive set of issues that are critical to the attainment of the Sustainable Development Goals.

11. Building on the success of the Conference, the Platform will continue to promote partnerships and stakeholder engagement. It will establish a regular, structured, inclusive and broad-based dialogue with the full range of stakeholders, including governments, regional tax organizations, donor agencies, civil society and the business sector.

## Annex

# First Global Conference of the Platform for Collaboration on Tax: Taxation and the Sustainable Development Goals

## Statement by the Platform partners at the closing of the Conference

### The Platform and its role

The Sustainable Development Goals set ambitious targets for all countries, to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. Achieving these goals will require enormous financial resources. The Addis Ababa Action Agenda recognizes that much of the increased public financing required to reach these goals will have to be generated domestically. Taxation has a key role to play in financing the Sustainable Development Goals. At the same time, an era of unprecedented international cooperation on tax is under way, with the implementation of the automatic exchange of information and the base erosion and profit shifting project and the strengthening of the Committee of Experts on International Cooperation in Tax Matters, all creating new opportunities for the enhanced participation of developing countries in international tax policy discussions and institutions, but also new challenges to fully realizing the benefits of international cooperation on tax.

It is in this context that the Platform for Collaboration on Tax was formed. The Platform partners, the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the United Nations and the World Bank, have each worked for many decades to support their member countries in effectively mobilizing tax revenues — from the most economically advanced to the poorest. In this new era of increased international cooperation, however, there are opportunities for deeper collaborative work through the Platform. The partner organizations bring together their own mandates and expertise, and their convening power to engage in and stimulate research, and together through the Platform they lead the debate and action on the broad role of taxation in achieving the Sustainable Development Goals.

Subject to resource availability, the Platform intends to undertake or continue work in a range of areas, including:

1. *Strengthening international tax cooperation*

As the international tax environment is changing rapidly, there is a high demand for action by the Platform, which is well placed to facilitate feedback between standard-setting, capacity-building and technical assistance in the sphere of international taxation.

To respond to this demand, the partners will further increase coordination and cooperation at the global and country levels. Guidance for developing countries (for example, through the various toolkits that the Platform has produced, and continues to work on, to help developing countries in high priority areas of international taxation) will provide a basis for some of this work. The Platform will also support developing countries in analysing and articulating their views on important international tax issues, which will feed back into international forums and standard-setting processes.

2. *Building institutions through medium-term revenue strategies*

In their 2016 report, entitled "Enhancing the effectiveness of external support in building tax capacity in developing countries", the Platform partners advocated medium-term revenue strategies, a new approach to support countries in reforming their tax systems. These are intended to facilitate a country-driven process to develop multi-year, holistic and realistic plans for revenue policy and legal and administrative reforms consistent with the countries' development goals, and to enhance the ability of their tax systems to achieve strong, robust growth and wider social objectives. They are envisaged as part of the country's institution-building process, as broad stakeholder engagement in the development of medium-term revenue strategies can help shape the relationship between citizens and their governments. This approach is in the initial stages of implementation, with the Platform playing a significant role in a first wave of countries in 2018. Aiming to reach the full potential of this approach, the partners will foster an inclusive process of collaboration and information-sharing, as well as encourage stronger leadership from the countries' governments and broad societal engagement.

3. *Promoting partnerships and stakeholder engagement*

Sustainable Development Goal 17 emphasizes the importance of partnerships and international support in realizing the Sustainable Development Goals, including in relation to tax. The Platform is just one form of partnership that is needed to make progress on this Goal at the global and country level. As this conference has demonstrated, achieving the Sustainable Development Goals requires action from all stakeholders. The Platform's success depends on its ability to foster wider relationships, including by convening governments, regional tax organizations, civil society and the business sector.

This conference is the beginning of a process of regular, structured dialogue with the full range of stakeholders.

The box below includes a list of immediate and concrete actions related to the above three areas, which, additional resources permitting, the Platform intends to undertake or continue:

**Platform actions to take the tax agenda forward**

- On a regular basis, working with others, including the Addis Tax Initiative, we will help to give a comprehensive picture of the total effort of international, regional and bilateral partners in supporting developing countries on tax matters.
- We will integrate and aim for the highest possible standards of transparency in the provision of information about our capacity development activities in developing countries through the Platform website.
- On international tax we will scale up our joint work to support developing countries to address tax transparency and base erosion and profit shifting, including on treaties.
- Working together with other stakeholders, we will seek to provide coherent and consistent international tax policy advice.
- We will complete the Platform toolkits to help countries address challenges in international taxation and launch an expanded outreach programme to support the development and use of the toolkits. We will respond to additional concerns raised by countries with analytical work, recommendations and guidance.
- We will provide, in mid-2018, an update to the Group of 20 on tax certainty and developing countries.
- We will analyse and report on the spillovers on and opportunities from changes in the international tax environment for developing countries.
- We will work together to support the development of country-led medium-term revenue strategies, including through the involvement of bilateral partners, and report on outcomes. We will align our support according to the plans set out by governments.
- We will help developing countries access knowledge, experience and good practices in tax administration, starting with the use of technology, working with the Forum on Tax Administration, regional tax organizations and other partners.
- We will support the participation of developing countries in tax policy discussions in international forums.
- We will launch a multi-year programme on tax and the Sustainable Development Goals, which will include components on taxation and health, education, gender, inequality, the environment and infrastructure.
- We will establish a regular dialogue between the Platform and stakeholders, most importantly, the governments of developing countries.
- We will review current practice, and provide guidance and recommendations, on the tax treatment of goods and services funded through official development assistance.
- To help deliver on this agenda we will seek to secure donor funding for the expanded work programme, supported by a strengthened Platform secretariat.

**Taxation and the Sustainable Development Goals**

As this conference has shown, tax structures affect society and the economy in many ways beyond a narrow financing focus: the impact of inequality, in its many dimensions, on investment and growth; the empowerment of women; the sustainability of the environment; the extraction of natural resources; and many other concerns central to the achievement of the Sustainable Development Goals. While the Platform partners already work on all these topics, through analysis, standard-setting and technical assistance to member countries, there is scope for further work.

**Delivering on the Platform's agenda**

This conference has provided the opportunity for stakeholders to suggest other topics on which the Platform could work and other ways in which it could foster cooperation. Taking these suggestions into account, the Platform will produce a forward agenda of the issues raised by this conference, and identify areas where further work is possible, either by the Platform or by Platform partners individually or in collaboration with others.

These proposed actions could make a significant contribution that would reflect the important role of taxation in achieving the Sustainable Development Goals. These actions can be delivered only if resources are made available. We gratefully acknowledge the contributions from the Governments of Luxembourg, Switzerland and the United Kingdom of Great Britain and Northern Ireland, and the commitment from the Government of Japan. Taking the Platform to the next level of ambition will require a new injection of resources, not least to increase the capacity of its secretariat.

The Platform looks forward to working with all stakeholders to deliver on this agenda, through continued support for country-led medium-term revenue strategies, information-sharing, on-the-ground cooperation, enhanced dialogue with stakeholders, further focus and guidance on international tax challenges and initiatives that will ensure the greater participation of developing countries in international tax policy discussions and institutions.